HOUSING BULLETIN
MONTHLY REPORT

Housing and Urban Affairs

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Acknowledgments

The data for this report is collected through various sources such as the Canada Housing and Mortgage Corporation (CMHC), Statistics Canada, the Alberta Real Estate Association, the Calgary Real Estate Board, the Realtors Association of Edmonton, and various provincial government Departments.

Next Step

Our goal is to continue to share important information on a monthly basis on the housing market trends.

OVERVIEW

Welcome to the Housing and Urban Affairs' (HUA) Housing Bulletin. This marks our first issue of the monthly report for 2009, launched in June 2008. The report covers the latest housing market trends.

Overall housing starts across Alberta's seven largest centres totalled 836 units in January 2009, compared to 2,185 units in January 2008 (a decrease of 61.7 percent). Lower levels of activity were reported across six of Alberta's seven largest centres with decreases of 65.8 percent in the Calgary region, 63.9 percent in the Edmonton region, 78.2 percent in Grande Prairie, 58.5 percent in Lethbridge, 47.6 percent in Medicine Hat and 46.9 percent in Red Deer. Wood Buffalo was the only region reporting a 12.3 percent increase in year-over-year activity.

According to the Canada Mortgage and Housing Corporation (CHMC), Alberta housing starts were the weakest since 1996.

The average house price listed on the Multiple Listing Services (MLS) in Calgary in January 2009 was $413,049, compared to $455,297 in January 2008, down 9.2 percent.

The average house price listed on the MLS in Edmonton in January 2009 was $352,689, compared to $379,567 in January 2008, down 7.1 percent.

Highlights

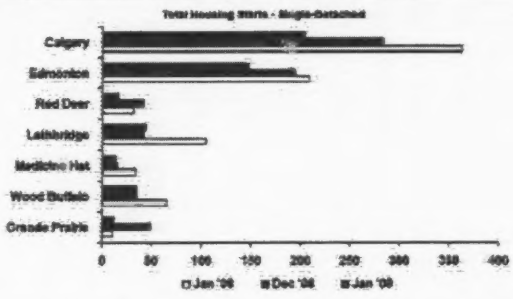
- According to ***Housing Now-Prairie Region***, released by CMHC, Alberta's housing starts plunged from 48,336 units in 2008 to 29,164 units in 2008, a 40 percent decline.
- According to the ***Marketbeat Edmonton Apartment Report***, released by Cushman and Wakefield (formerly Royal LePage Commercial Real Estate), vacancy rates in Edmonton will continue to increase, which paired with increasing competition from rented condominiums, should curb rental increases.
- According to Canadian Real Estate Association forecast, the national MLS home sales activity is expected to decline in 2009 before rebounding by 9.9 percent to 396,600 units in 2010. The rebound in home sales activity in 2010 is forecasted to be highest in both British Columbia and Alberta.

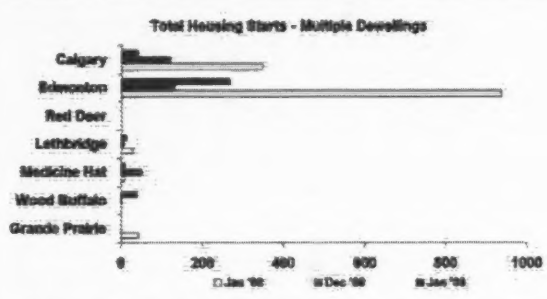
Housing Bulletin is now available for download from the ministry's internet site at http://www.housing.alberta.ca/

HOUSING MARKET TRENDS

HOUSING STARTS – Housing starts across Alberta's seven largest centres totalled 836 units in January 2009, compared to 2,185 units in January 2008. Lower levels of activity were reported across six of Alberta's seven largest centres, except in Wood Buffalo, where housing starts increase by 12.3 percent.

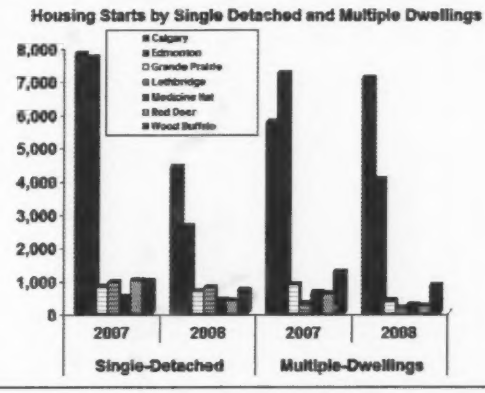
	January 2009				December 2008				January 2008		
Location	Single-Detached [1]	Multiple Dwellings [2]	*Total*	% Change Jan '08-Jan '09	Single-Detached [1]	Multiple Dwellings [2]	*Total*	% Change Dec '08-Jan '09	Single-Detached [1]	Multiple Dwellings [2]	*Total*
Calgary	204	39	*243*	-65.8	283	120	*403*	-39.7	363	348	711
Edmonton	147	266	*413*	-63.9	194	130	*324*	27.5	209	936	1,145
Grande Prairie	12	0	*12*	-78.2	49	0	*49*	-75.5	11	44	55
Lethbridge	44	12	*56*	-58.5	42	6	*48*	16.7	105	30	135
Medicine Hat	14	8	*22*	-47.6	15	50	*65*	-66.2	34	8	42
Red Deer	17	0	*17*	-46.9	42	0	*42*	-59.5	32	0	32
Wood Buffalo	35	38	*73*	12.3	35	2	*37*	97.3	65	0	65

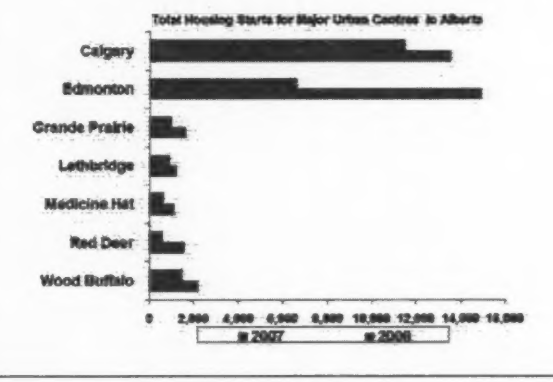




January to December 2008

	Single-Detached			Multiple Dwellings			Total		
	2008	2007	% Change	2008	2007	% Change	2008	2007	% Change
Calgary	4,387	7,777	-43.6	7,051	5,728	23.1	11,438	13,505	-15.3
Edmonton	2,613	7,682	-66.0	4,002	7,206	-44.5	6,615	14,888	-55.6
Grande Prairie	653	784	-16.7	357	845	-57.8	1,010	1,629	-38.0
Lethbridge	760	920	-17.4	153	285	-46.3	913	1,205	-24.2
Medicine Hat	398	485	-17.0	237	614	-61.4	635	1,099	-42.2
Red Deer	367	974	-62.3	205	584	-64.9	572	1,558	-63.3
Wood Buffalo	681	946	-28.0	811	1,229	-34.0	1,492	2,175	-31.4





[1] **"Single-Detached"** dwelling (also referred to as "Single") is a building containing only one dwelling unit, which is completely separated on all sides from any other dwelling or structure. Includes link homes, where two units may share a common basement wall but are separated above grade. Also includes cluster-single developments.

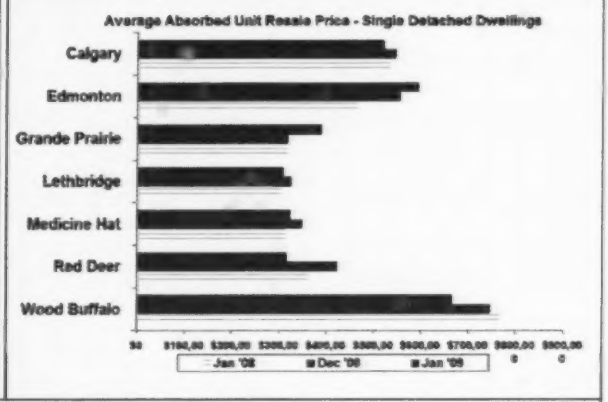
[2] The term **"Multiple "** dwelling includes all other types of dwellings, i.e., Semi-detached (also referred as semi) is one of two dwellings located side-by-side in a building with no other structure, Row (Townhouse), Apartment and other commonly known as stacked townhouses, duplexes, triplexes, double, duplexes and row duplexes.

Source: Housing Information Monthly – Canada Mortgage and Housing Corporation (CMHC).

ALBERTA'S HOUSING MARKET – The selling prices for absorbed units continued to decline in five of the seven major regions of Alberta in January 2009 whereas growth in new house prices moderated in December 2008.

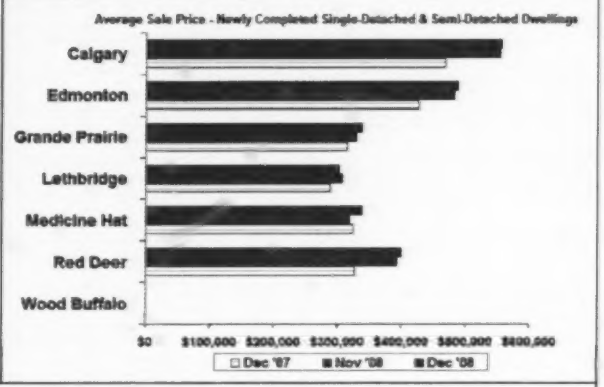
Average Absorbed* Unit Resale Price – Single-Detached Dwellings

Location	January '09	December '08	% Change Dec '08-Jan '09	January '08	% Change Jan '08-Jan '09
Calgary	$520,596	$543,853	-4.3	$529,927	-1.8
Edmonton	$592,459	$554,605	6.8	$464,907	27.4
Grande Prairie	$387,491	$316,150	22.6	$316,591	22.4
Lethbridge	$306,326	$325,309	-5.8	$300,619	1.9
Medicine Hat	$320,867	$348,300	-7.9	$311,335	3.1
Red Deer	$315,728	$422,504	-25.3	$361,320	-12.6
Wood Buffalo	$665,148	$745,081	-10.7	$765,856	-13.1



Average Sale Price – Newly Completed Single-Detached & Semi-Detached Dwellings

Location	December '08	November '08	% Change Nov '08-Dec '08	December '07	% Change Dec '07-Dec '08
Calgary	$556,777	$552,958	0.7	$467,889	19.0
Edmonton	$487,817	$481,534	1.3	$426,512	14.4
Grande Prairie	$337,436	$329,194	2.5	$315,062	7.1
Lethbridge	$302,159	$306,839	-1.5	$289,415	4.4
Medicine Hat	$338,274	$318,654	6.2	$323,909	4.4
Red Deer	$399,950	$393,099	1.7	$326,062	22.7
Wood Buffalo	N/A	N/A	N/A	N/A	N/A



Did You Know...

- The average house price listed on the Multiple Listing Services (MLS) in Alberta in January 2009 was $321,655, compared to $357,574 in January 2008, down 10 percent.
- In Calgary, a listing was on the market for an average of 63 days in January 2009, as compared to 49 days in January 2008.
- In Edmonton, a listing was on the market for an average of 68 days in January 2009, versus 61 days in January 2008.

TOTAL NUMBER OF HOMES ON THE MARKET

Number of Homes on the Market

Did You Know...

- According to the Canadian Real Estate Association, a total of 8,388 new residential listings were added to the MLS province-wide in January 2009, compared to 11,567 residential listings in January 2008.
- Overall, a total of 2,195 residential units were sold province-wide in January 2009, compared to 4,021 residential units sold in January 2008 (a decline of 45.4 percent).
- In Calgary, a total of 3,009 homes (single-family and condos) were listed for sale during January 2009, and 775 single-family homes and condos were sold.
- In Edmonton, 2,443 homes were listed during January 2009, with 730 sold, resulting in a sales-to-listing ratio of 30 percent. Total residential sales through the MLS for the month of January 2009 were $231 million, down 43 percent from January 2008.

*A dwelling is defined as 'Absorbed' when a binding, non-conditional agreement is made to buy or rent the dwelling.

Source: Housing Information Monthly – Canada Mortgage and Housing Corporation (CMHC)
Preliminary Housing Start Data – Canada Mortgage and Housing Corporation (CMHC)
Alberta Real Estate Association
Canadian Real Estate Association

CALGARY HOUSING MARKET CONTINUES TO SHOW CHOICE AND AFFORDABILITY FOR BUYERS – According to the figures released by the Calgary Real Estate Board, real estate sales increased 22 percent in January 2009, from December 2008, but are still 49 percent less than January 2008.

Average Resale Price – Single-Detached Dwellings							Average Resale Price – Condominium						
January '09	December '08	% Change Dec '08 - Jan '09	January '08	% Change Jan '08 - Jan '09	Average Days on the Market Jan '09	Month End Inventory Jan '09	January '09	December '08	% Change Dec '08 - Jan '09	January '08	% Change Jan '08 - Jan '09	Average Days on the Market Jan '09	Month End Inventory Jan '09
$413,049	$417,398	-1.0	$455,297	-9.2	62	4,040	$270,940	$274,919	-1.4	$311,232	-12.9	64	1,923

EDMONTON HOUSING MARKET – The Realtors Association of Edmonton reported that residential sales increased by 20 percent in January 2009 from December 2008. A total of 730 residential properties were sold in January 2009, compared to 608 in December 2008.

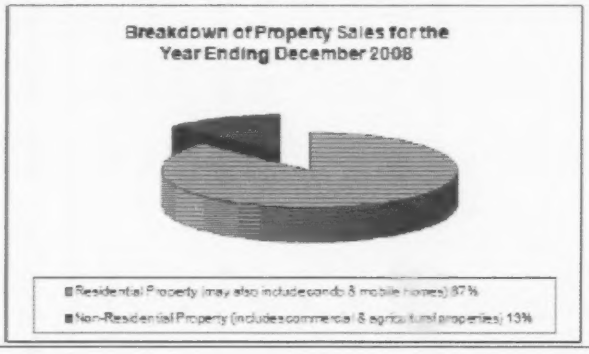
Average Resale Price – Single Family Dwellings (SFD)					Average Resale Price – Condominium						
January '09	December '08	% Change Dec '08 - Jan '09	January '08	% Change Jan '08 - Jan '09	January '09	December '08	% Change Dec '08 - Jan '09	January '08	% Change Jan '08 - Jan '09	Average Days on the Market Jan '09 (both SFD and Condo)	Month End Inventory Jan '09 (includes SFD, Condo, Duplex, and Mobile homes)
$352,669	$351,870	0.23	$379,567	-7.1	$238,536	$234,286	1.8	$257,956	-7.5	66	6,573

ACCORDING TO THE ALBERTA REAL ESTATE BOARD, a total of 54,408 residential units were sold province-wide from January to the end of December 2008, a decrease of 43 percent, compared to December 2007.

Location	Average Residential Resale Price*				
	December '08	November '08	% Change Nov '08 – Dec '08	December '07	% Change Dec '07 – Dec '08
Calgary	$362,600	$384,200	-5.6	$400,100	-9.4
Edmonton	$311,000	$318,600	-2.4	$329,700	-5.7
Grande Prairie**	$281,000	$290,600	-3.3	$278,900	0.8
Lethbridge	$233,800	$237,200	-1.4	$236,100	-1.0
Medicine Hat	$266,300	$233,700	13.9	$244,400	9.0
Red Deer	$271,700	$272,200	-0.2	$258,900	4.9
Wood Buffalo**	$656,100	$678,900	-3.4	$632,400	3.7

Value of property sales

- The value of total property sales for the year ending December 2008 was $22.2 billion (down 23 percent from the same period last year).
- Residential properties represent 87 percent ($19.3 billion) of total property sales for the year ending December 2008.


Breakdown of Property Sales for the Year Ending December 2008
Residential Property (may also include condo & mobile homes) 87%
Non-Residential Property (includes commercial & agricultural properties) 13%

* Residential includes single family dwellings, condo and mobile homes.
** This figure denotes single family average price.

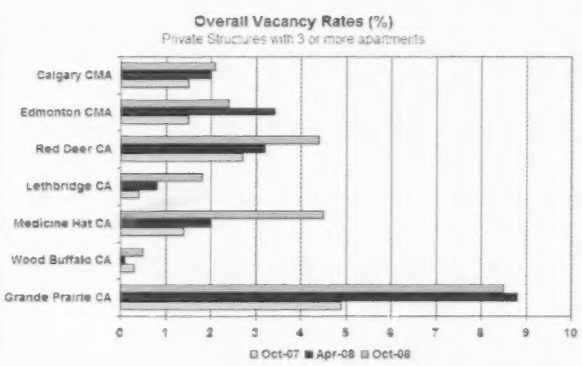
Source: Calgary Real Estate Board
The Realtors Association of Edmonton
Alberta Real Estate Association

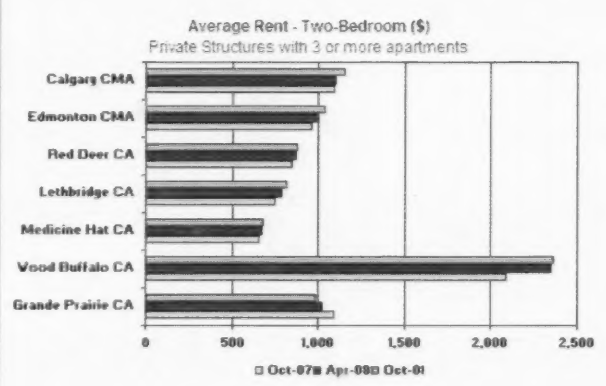
PRIVATE APARTMENT AVERAGE VACANCY RATES (%) BY BEDROOM TYPE

Centre	Bachelor			1 Bedroom			2 Bedroom			3 Bedroom+			Overall Vacancy Rates		
	Oct '08	Apr '08	Oct '07	Oct '08	Apr '08	Oct '07	Oct '08	Apr '08	Oct '07	Oct '08	Apr '08	Oct '07	Oct '08	Apr '08	Oct '07
Calgary	2.9	2.6	1.4	1.9	1.8	1.5	2.2	2.2	1.5	2.7	**	2.4	2.1	2.0	1.5
Edmonton	2.4	3.1	2.5	2.2	2.9	1.5	2.5	3.1	1.3	3.7	8.3	2.4	2.4	3.4	1.5
Grande Prairie	11.8	10.9	4.4	7.9	11.0	6.9	8.6	6.7	4.2	7.2	15.6	1.4	8.5	8.8	4.9
Lethbridge	1.4	0.0	0.0	2.9	1.8	0.3	1.2	0.4	0.4	1.3	0.0	0.0	1.8	0.8	0.4
Medicine Hat	3.8	0.0	0.0	4.9	1.6	1.3	4.0	2.1	1.6	6.7	3.5	0.9	4.5	2.0	1.4
Red Deer	5.7	5.3	3.4	3.7	3.0	2.9	4.9	3.2	2.6	2.2	2.9	0.7	4.4	3.2	2.7
Wood Buffalo	0.0	0.0	0.0	0.4	0.2	0.2	0.6	0.1	0.2	0.0	0.0	1.4	0.5	0.1	0.3
Alberta 10,000+	**2.8**	**3.1**	**2.2**	**2.3**	**2.6**	**1.6**	**2.7**	**2.7**	**1.5**	**3.4**	**6.1**	**2.1**	**2.5**	**2.9**	**1.6**

PRIVATE APARTMENT AVERAGE RENTAL RATES ($) BY BEDROOM TYPE

Centre	Bachelor			1 Bedroom			2 Bedroom			3 Bedroom+			Overall Rental Rates		
	Oct '08	Apr '08	Oct '07	Oct '08	Apr '08	Oct '07	Oct '08	Apr '08	Oct '07	Oct '08	Apr '08	Oct '07	Oct '08	Apr '08	Oct '07
Calgary	775	658	688	951	919	897	1,148	1,096	1,089	1,063	1,031	1,046	1,031	992	974
Edmonton	707	682	658	847	837	784	1,034	1,000	958	1,170	1,039	1,060	930	908	859
Grande Prairie	717	761	802	825	903	952	987	1,025	1,087	1,140	1,166	1,266	933	979	1,041
Lethbridge	560	514	495	719	690	632	818	783	750	886	827	827	775	740	706
Medicine Hat	525	523	515	573	560	556	678	670	659	785	766	744	644	634	625
Red Deer	624	570	569	736	723	706	876	866	845	1,038	1,013	1,028	818	798	786
Wood Buffalo	1,444	1,406	1,263	1,829	1,858	1,724	2,360	2,350	2,085	2,468	2,536	2,263	2,190	2,193	1,968
Alberta 10,000+	**718**	**673**	**666**	**887**	**873**	**831**	**1,077**	**1,049**	**1,011**	**1,154**	**1,072**	**1,096**	**975**	**953**	**913**





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Source: Rental Market Report – Alberta Highlights – Spring 2008 and Fall 2008, Canada Mortgage and Housing Corporation (CMHC)